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November 23, 1994

BY HAND DELIVERY

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: Provision of Access for 900 Number Service  
RM No. 8535

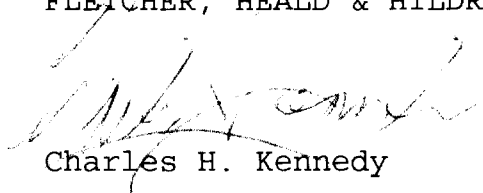
Dear Mr. Caton:

Enclosed for filing with the Commission are an original and four (4) copies of Network Telephone Services, Inc.'s Comments in the above-captioned proceeding.

If you have any questions concerning this matter, please do not hesitate to contact the undersigned.

Very truly yours,

FLETCHER, HEALD & HILDRETH, P.L.C.

  
Charles H. Kennedy

CH/dd  
Enclosures

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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 )  
Provision of Access for ) RM No. 8535  
900 Number Service )

COMMENTS OF NETWORK TELEPHONE SERVICES, INC.

Network Telephone Services, Inc. of Woodland Hills, California ("NTS"), one of the largest service bureaus in the pay-per-call industry, concurs in the Petition for Rulemaking of The Teleservices Industry Association. Portability of 900 numbers will promote competition and lead directly to improvements in the cost, quality and diversity of the services that NTS and other service bureaus can provide to their customers.

Service bureaus like NTS play a vital role in the pay-per-call industry. They are especially useful to smaller, innovative information providers who may lack the in-house resources and expertise needed to develop and operate information services on their own. Service bureaus therefore increase the diversity of

information providers and the range of information services available to the public.<sup>1</sup>

The flexibility and economy a service bureau can offer its customers, however, are limited by the terms on which the service bureau can obtain transport, billing and collection services from the interexchange carriers ("IXCs"). The rates IXCs charge for these services account for a substantial percentage of NTS's charges to its customers, and the high IXC rates that typify the present, noncompetitive environment have prevented NTS from offering some services and have forced the discontinuation of others.

NTS is convinced that in a truly competitive market, IXC charges for 900 service would decline substantially, with corresponding benefits for NTS and its customers. This belief is confirmed by the experience of the 800 market, in which increased competition has caused transport rates to fall drastically compared to the rates for similar services offered in connection with 900 services.

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<sup>1</sup>NTS, for example, offers 900 service providers a turnkey package of support services. NTS reserves 900 numbers, negotiates with interexchange carriers for 900 transport, helps to design the customer's information service, provides billing and collection service, maintains the customer's system and (in many cases) answers calls placed to the customer's 900 number.

<sup>2</sup>For example, NTS discontinued its news, sports and weather update service because it could not offer that service at a reasonable price and cover the cost of providing it.

<sup>3</sup>Teleservices Industry Association Petition for Rulemaking at 7.

The key to increased competition in the 900 marketplace, as in the 800 marketplace, is number portability. Many of the information providers who use NTS's services have accumulated substantial goodwill in the particular 900 numbers assigned to them, and have expressed reluctance to relinquish those numbers in order to purchase service from another IXC -- even when that IXC may offer better terms. If these numbers were portable, NTS and its customers would enjoy an immediate, dramatic increase in their bargaining power vis-a-vis the IXCs.<sup>4</sup> NTS then could negotiate with the IXCs for improved service, lower rates, discount packages and greater flexibility in transport, billing and collection services for its customers.

As the Teleservices Industry Association petition points out, 900 number portability is procompetitive, proconsumer and

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<sup>4</sup>Number portability also would give the 900 customer who wants the marketing advantage of a particular number a choice of carriers from which to obtain it. Today, where blocks of 900 numbers are controlled by particular IXCs, a customer desiring a specific number has no choice but to deal with the IXC to which the number is assigned. This competitive bottleneck especially benefits the dominant IXC, which controls the largest single block of assignable 900 numbers.

well within the capability of technology already in place. NTS strongly urges the Commission to initiate the requested rulemaking and mandate the earliest practicable implementation of 900 number portability.

Respectfully submitted,

NETWORK TELEPHONE SERVICES, INC.

By: 

Edward W. Hummers, Jr.

Charles H. Kennedy

Its attorneys

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November 23, 1994

CHP-3d/04/900NTS.E11

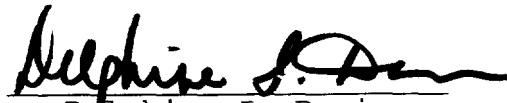
**CERTIFICATE OF SERVICE**

I, Delphine I. Davis, a secretary in the law firm of Fletcher, Heald & Hildreth, P.L.C. do hereby certify that true copies of the foregoing "**Comments of Network Telephone Services, Inc.**" were sent this 23rd day of November, 1994, by first-class United States mail, postage prepaid, to the following:

Kathleen Wallman, Chief\*  
Common Carrier Bureau  
Federal Communications Commission  
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Washington, D.C. 20554

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Delphine I. Davis

**\*BY HAND**